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Capitol Hill Hides Genius, Suit Shows

BY WILLARD EDWARDS

(Chicago Tribune Press Service)

Washington, Sept. 22—A former Senate page boy's amazing success story today engaged the attention of Capitol hill. Congress discovered that it had been hiding a financial genius.

At 35, Robert G. [Bobby] Baker, secretary to the Senate Democratic majority, has financial ties to a rapidly expanding vending machine business, Serv-U corporation, which is the talk of its industry. In the last 18 months, it has acquired franchises grossing in excess of \$3,500,000 yearly.

A \$300,000 damage suit filed in federal District court here disclosed the wide scope of Baker's business interests. According to the suit, Baker helped secure a vending machine franchise in the Virginia plant of a government space contractor, causing the plaintiff to lose his contract.

Baker Denies Role

Baker denied the suit's allegations, including the charge that he received \$5,600 in commissions for what the suit said was his part in the negotiations.

Baker's salary as Senate majority secretary is approximately \$20,000 a year.

His wife, Dorothy, who was his partner in some business transactions, works for a Senate committee at a salary of \$11,800. Congressional staff members are not prevented by law from pursuing private business careers, which some do.

Baker came to the Senate from South Carolina as a page boy at the age of 14. In 1955, Vice President Johnson, then majority leader, appointed him majority secretary. He was 26 at the time, a soft-spoken man studying law at American university. He became known as "Lyndon's protege" and a good man to consult in matters involving legislative strategy.

Important Senate Cog

The Senate majority secretary is an important cog in the Senate machinery. Baker is on familiar terms with the leadership. The press knows him as an excellent news source on cloakroom maneuvers. Before an important vote, he has been known to predict, with almost 100 per cent accuracy, the roll call lineup.

Capitol hill first became aware of Baker's financial activities in 1959 when he conceived the idea of a luxury motel in North Ocean City, Md., for jaded Congressmen. In association with two Maryland builders, Baker purchased ocean front land for \$75,000 and obtained building loans totaling \$529,000 from three banking institutions.

Construction began in 1961. Storm and floods damaged the structure in March, 1962, and the small business administration provided a \$54,400 disaster loan.

Opens With Party

The motel opened in July, 1962, with a champagne inaugural party attended by



Robert Baker

Last Feb. 25, according to public records, the Bakers sold the resort to Serv-U corporation at a price, indicated by state tax stamps, of \$1,230,000.

Serv-U was incorporated in Delaware in 1962, with Ernest C. Tucker, Baker's law partner in the firm of Baker & Tucker, as chairman and vice-president. Mrs. Baker was listed as an assistant secretary.

In its first 18 months of operation, Serv-U won five large contracts in southern California aerospace industries. Space and research and development is almost wholly underwritten by the federal government. In all five cases, companies with long experience in the vending business were replaced. The corporations' advantages as a corporation's spectacular growth in the industry away from the attracted comment in trade journals.

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